

FOR IMMEDIATE RELEASE  
June 6, 2007

Media Contacts: Peter Carr, Hatch (202) 224-9854  
Melissa Wagoner, Kennedy (202) 224-2633

## **KENNEDY, HATCH RELEASE PRINCIPLES TO REAUTHORIZE CHILD HEALTH INSURANCE PROGRAM (CHIP)**

Washington – Sen. Edward M. Kennedy (D-Mass.) and Sen. Orrin G. Hatch (R-Utah) today agreed on goals for reauthorizing the State Children Health Insurance Program (CHIP). The two principal authors of the original 1997 CHIP bill (P.L. 105-33), Kennedy and Hatch are committed to the goal of helping states provide insurance coverage for the children of the working poor – those whose parents can't afford private insurance but make too much to qualify for Medicaid.

“No child should have to go without healthcare – that's why Senator Kennedy and I worked to create CHIP 10 years ago,” Hatch said. “The health care children receive when they are young will largely determine their quality of life for their entire adulthood. Last year, more than 6.6 million children enrolled in CHIP, but estimates put between 2 and 2.8 million children as eligible but not currently covered by CHIP. We must reauthorize CHIP and providing coverage for those children should be our number one priority.”

“The Children's Health Insurance Program provides effective health care for children in every state across the country and has had dramatic impact on their young lives,” Kennedy said. “Senator Hatch and I have worked together for over a decade to help CHIP make a difference in the lives of America's children, and today we take up the challenge once more. There are still too many children that need health care, and too many children who suffer from preventable illness. The principles that Senator Hatch and I have developed can guide effective legislation to renew CHIP, and see that it fulfills its promise of providing quality, affordable health care for all children that need care.”

Hatch and Kennedy support funding the CHIP reauthorization with an increase in the tobacco tax. The Senators shared their principles with leaders responsible for such tax policy: Senate Finance Committee Chairman Max Baucus (D-Mont.), Ranking Member Chuck Grassley (R-Iowa), and Finance Subcommittee on Health Chairman John Rockefeller (D-W.Va.). Hatch is ranking member of the Health subcommittee and Kennedy is chairman of the Senate Health, Education, Labor, and Pensions Committee.

Congress created CHIP as part of The Balanced Budget Act of 1997. CHIP provides states with federal matching funds to cover uninsured children of families with incomes that are above Medicaid eligibility levels. States receive an enhanced federal match for the CHIP program – this federal match is significantly higher than the federal match that states receive through the Medicaid program. All 50 states and the District of Columbia have CHIP programs.

Kennedy and Hatch's shared principles are included in full below:

### **Kennedy-Hatch CHIP Principles**

Children must be the primary focus of the CHIP program.

Six million of the nine million American children who are currently uninsured are eligible but not enrolled in public coverage through Medicaid or CHIP. We propose providing the resources needed to states, local communities, schools, faith-based organizations, Indian tribes and safety net providers for outreach to eligible children and populations, and enrolling them in Medicaid and CHIP.

We propose innovative outreach and enrollment efforts, especially those focused on hard to reach populations, including minority and underserved children, and those in rural areas and inner cities. Incentive grants would be given to states which lower the number of uninsured children who are eligible for CHIP.

We propose the simplification of the enrollment and renewal process which often serves as a barrier for families seeking to enroll their children in CHIP.

We propose adopting national pediatric quality standards to measure the quality of care that children receive through the CHIP program. We believe that a good starting point would be S. 1226, the Children's Health Care Quality Act.

We support states in their efforts to prevent childhood obesity, to provide access to mental health services, and to promote oral health, good nutrition and physical activity among children. Incentive grants may be used to cover these benefits at the option of the states.

We propose eliminating existing barriers that make it difficult for states to provide premium support through CHIP for children in families with qualifying incomes that have access to employer-sponsored coverage.

We propose evaluating the current five year exclusion of lawful immigrant children and giving states the option of covering these children.

We propose giving each state the flexibility to determine the federal poverty level of the children who would be covered under its state CHIP program.

The current system of allocating CHIP funds should be better targeted. We now have a decade of experience with the program, and with the knowledge of state spending gained, we propose allocating funds based on the individual needs of each state. No state should be allowed to retain federal CHIP dollars while doing little to actually cover eligible children. In addition, no state should be faced with closing enrollment or dropping

children from the program because of a shortfall of available federal funds.

We propose authorizing and appropriating sufficient funding for CHIP in order to maintain current CHIP enrollment and to enroll those children who are currently eligible but not enrolled in the program. Funding should be increased to account for increases in health costs and increases in enrollment and eligible children.

We propose funding the CHIP program through tobacco taxes.